

GLOSSARY OF FREQUENTLY USED FISCAL TERMS

APPROPRIATION: An enactment by the General Assembly authorizing the withdrawal of money from the State treasury. An enactment by the General Assembly that authorizes, specifies, or otherwise provides that funds may be used for a particular purpose is not an appropriation.

AUTHORIZED BUDGET: The funds appropriated by the General Assembly updated to reflect line-item reallocations allowed by the State Budget Act and approved by the Office of State Budget and Management.

BOILERPLATE: Special provisions, or budgetary language that is typically repeated year after year in the budget bill. For example, non-profit reporting requirements are boilerplate.

CARRY-FORWARDS: Funds appropriated but unspent in the first fiscal year of a biennium which by authorized budget revision are brought forward for expenditure in the second fiscal year of the same biennium.

CERTIFIED BUDGET: The budget as enacted by the General Assembly including adjustments made for (i) distributions to State agencies from statewide reserves appropriated by the General Assembly, (ii) distributions of reserves appropriated to a specific agency by the General Assembly, and (iii) organizational or budget changes directed by the General Assembly but left to the Director to carry out.

CONTINUATION (BASE) BUDGET: The budgeted amounts for operating funds required to carry on already established programs at the level of support approved by the previous General Assembly. May contain inflationary increases for certain line items such as food, drugs, utilities; for statutory increases, i.e., social security; for operation of newly completed facilities; or for annualization of costs for programs previously funded for only part of a year.

DEPARTMENTAL RECEIPTS: Fees, licenses, federal funds, grants, fines, penalties, tuition, and other similar collections or credits generated by State agencies in the course of performing their governmental functions that are applied to the cost of a program administered by the State agency or transferred to the Civil Penalty and Forfeiture Fund pursuant to G.S. 115C-457.1, and that are not defined as tax proceeds or nontax revenues. Departmental receipts may include moneys transferred into a fiscal year from a prior fiscal year.

ENCUMBRANCE: A financial obligation created by a purchase order, contract, salary commitment, unearned or prepaid collections for services provided by the State, or other legally binding agreement.

ENTERPRISE FUNDS: A special fund account in which most or all of the revenue is derived from direct charges to users of the services supplied by the program supported from the fund.

EXPANSION BUDGET: The recommendations to fund improvements or expansions in existing programs, to establish new programs, to provide for salary increases, and to provide for increases in enrollments, caseloads and institutional populations.

FULL-TIME EQUIVALENT (FTE): A unit that represents one full-time (2,080 hours per year) state employee. Part-time employees are factored according to the share of the full 2,080-hour work year they are employed. Total FTE provides an unduplicated head-count of the positions an agency has.

FUND: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other resources, together with all related liabilities and residual equities or balances, and changes therein, for the purpose of carrying on stated programs, activities, and objectives of State government.

GENERAL FUND: The main source of operating funds for the state. A pool of financial resources made up of a beginning credit balance, State tax revenues, and State non-tax revenues. These funds are appropriated for both the operation of State agencies and construction and renovation of State facilities.

LAPSED SALARY: Surplus funds that accrue because a position is vacant due to delays in hiring, resignations, terminations, or retirements. Lapsed salary surpluses are *one-time* funds that accumulate only while a position vacancy exists.

MANAGEMENT FLEXIBILITY REDUCTION (aka. Negative Reserve): A reduction to an agency's operating budget that does not specify the fund codes or line items from which the reduction is to be taken, but instead requires the agency to determine where reductions should be made.

NON-RECURRING: Term used to denote one-time revenues (windfalls, reversions) or one-time expenditures (grant-in-aid, capital).

RECURRING: Term used to denote revenues or expenditures that will be continuing, such as sales and personal income taxes, or salaries, fringe benefits, utilities.

REVERSIONS: Unspent appropriations returned to the General Fund or Highway Fund (as applicable) at the end of each fiscal year.

SALARY RESERVE: Unobligated or surplus funds generated by a position being filled at a salary less than the budgeted salary authorized by the General Assembly.

SPECIAL PROVISIONS: Language contained in the Appropriation Bill pertaining to State fiscal matters, the management, evaluation, and oversight of State government programs or policy, and the expenditure of appropriations contained in the Bill.

SPECIAL FUNDS: Accounts to which revenues are deposited that are designated for a specific purpose and remain in the account until expended for that purpose. Special Funds do not have General Funds directly appropriated to them. By definition, money in a special fund does not revert at the end of the fiscal year.

TRUST FUNDS: Accounts consisting of resources received and held by the State as trusted to be expended or invested in accordance with the conditions of the trust. In other words, Trust Funds are accounts where the State acts as a trustee. The State can only execute the terms of the trust, it cannot change the purpose for which the trust was created. Trust funds are classified as to what assets, if any, may be paid out of the fund. The three classifications are (1) expendable, (2) non-expendable, or (3) expendable as to income but unexpendable as to principal.

UNRESERVED FUND BALANCE: The available General Fund cash balance after excluding documented encumbrances, unearned revenue, federal grants, statutory requirements, and other legal obligations to General Fund cash as determined by the State Controller. Beginning unreserved fund balance equals ending unreserved fund balance from the prior fiscal year.